# GOVERNMENT OF INDIA
# POWER
# LOK SABHA

STARRED QUESTION NO:344
ANSWERED ON:14.08.2003
GENERATION AND DEMAND OF POWER
A. VENKATESH NAIK

**Will the Minister of POWER be pleased to state:**

(a) the power generation capacity in Megawatts and the quantum of additional power in Megawatts required presently in the country;

(b) the power generated by Central Sector Power Plants and State ownedPower Plants and Private sector players currently, separately;

(c) whether the per unit cost of power produced by the Private Sector is higher than the power produced by the public sector;

(d) if so, the reasons therefor;

(e) whether the Government have made any assessment to find out the reasons for quoting high rates of power by the private sector;

(f) if so, the details thereof; and

(g) the steps taken by the Government to make uniform rate policy in this regard?

## Answer

THE MINISTER OF POWER ( SHRI ANANT GANGARAM GEETE )

(a) to (g) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OSTARRED QUESTION NO. 344 TO BE ANSWERED IN TI LOK SABHA ON 14.08.2003 REGARDING GENERATION AND DEMAND OF POWER.

(a) : The total power generation installed capacity in the country is about 108930 MW. The total peak requirement of 67,875 MW was met during July, 2003 against a peak demand 76,244 MW, thus leaving a gap of 8,369 MW. To meet this gap, an additional capacity of about 13,500 MW is required.

(b) : Details of power generated in July, 2003 for Central, State and Private sector power plants is as follows:

| | |
|---|---|
| Central | 18888 Million Units |
| State | 20881 Million Units |
| Private | 4186 Million Units |
| Total | 43955 Million Units |

(c) to (f) : The unit cost of power generation is a function of capital cost of the project, technology, return on capital, location, fuel cost, O&M cost, overheads and efficiency etc and varies from plant to plant.

The unit cost of power from some private projects, particularly those based on liquid fuels, such as Naphtha has been on the higher side. The price of liquid fuel such as Naphtha rose sharply due to its import price parity pricing mechanism. Further, exchange rate protection was extended to the return on equity denominated in foreign currency. In addition, cost of development of private project has been affected by the higher risk perception, combined with higher interest rates due to non-recourse financing. Interest rates on foreign loans were also higher due to country rating.

(g) : It is not possible to have a uniform rate of generation tariff. As explained above, the unit cost of power generation is a function of technology, location, funding pattern, fuel etc., which varies from plant to plant.